

**APPROVED MINUTES
SUNNYVALE CITY COUNCIL
TUESDAY, JUNE 3, 2008**

5 P.M. SPECIAL COUNCIL MEETING (Study Session) - Presentation of Background Report for the Economic Development Strategy.

6 P.M. SPECIAL COUNCIL MEETING (Study Session) - Refuse Collection Rates Cost of Service Study and Update on Collect Choice Changes to Residential Collection Policies & Procedures.

7 P.M. REGULAR MEETING

SALUTE TO THE FLAG

Mayor Spitaleri led the salute to the flag.

ROLL CALL

PRESENT:

Mayor Anthony Spitaleri
Vice Mayor Melinda Hamilton
Councilmember John Howe
Councilmember Otto Lee
Councilmember Ron Swegles
Councilmember Christopher Moylan
Councilmember David Whittum

ABSENT:

None

STAFF PRESENT:

City Manager Amy Chan
Assistant City Manager Robert Walker
City Attorney David Kahn
Director of Community Development Hanson Hom
Finance Manager Therese Balbo
Director of Finance Mary Bradley
Budget Analyst Drew Corbett
Revenue Systems Supervisor Tim Kirby
Director of Public Works Marvin Rose
Senior Management Analyst Connie Verceles
Intergovernmental Relations Officer Yvette Agredano
City Clerk Gail Borkowski

PUBLIC ANNOUNCEMENTS

Councilmember Swegles announced that effective this evening, the City is webcasting the Council meetings over the Internet and, effective June 9, 2008, the Planning Commission meetings will also be available by webcast at *webcast.inSunnyvale.com*.

Councilmember Lee announced that today is Election Day.

CONSENT CALENDAR

Vice Mayor Hamilton moved, and Councilmember Howe seconded, to approve the Consent Calendar.

VOTE: 7-0

- 1.A. Approval of Draft Minutes of April 29, 2008**
- 1.B. Approval of Draft Minutes of May 13, 2008**
- 1.C. Approval of Draft Minutes of Special Meeting of April 30, 2008**
- 1.D. Approval of Draft Minutes of Special Meeting of May 1, 2008**
- 1.E. Approval of Draft Minutes of Special Meeting of May 5, 2008**
- 1.F. Approval of Draft Minutes of Special Meeting of May 15, 2008**
- 1.G. Approval of Information/Action Items – Council Directions to Staff**

Fiscal Items

- 1.H. RTC 08–171 List of Claims and Bills Approved for Payment by the City Manager
– Lists No. 401, 402 & 403**

Staff Recommendation: Council reviews the attached lists of bills.

- 1.I. RTC 08–161 Authorization to Allocate FY 2007/08 State Public Library Fund
Monies, and Approve Budget Modification No. 50**

Staff Recommendation: Council approves Budget Modification No. 50 in the amount of \$52,136 and the expenditure of state public library funds for use in the following special project categories: collection, improvements to library services.

Contracts

- 1.J. RTC 08–173 Authorization for NOVA to Accept Department Of Labor Regional
Innovation Grant and Award Subcontract to Joint Venture: Silicon
Valley Network for \$150,000 for Coordination of Regional Strategic
Plan**

Staff Recommendation: Council accepts the grant and awards a \$150,000 contract to Joint Venture: Silicon Valley Network.

- 1.K. RTC 08–172 Authorization for NOVA to Submit Application for Funding for
Homeless Veterans Reintegration Project in the Amount of \$300,000**

Staff Recommendation: Council grants the authority to apply for funding to provide employment training services to veterans.

1.L. RTC 08–174 Authorization for NOVA to Apply for STAR Dislocated Worker Funding in an Amount not to Exceed \$6 Million

Staff Recommendation: Council grants the authority to apply for funding to provide employment training services to dislocated workers.

Other Items

1.M. RTC 08–160 Request for Continuance of Approval of the Update of the Seismic Safety and Safety Sub-Element of the Community Development Element

Staff Recommendation: Council continues this item to June 10, 2008.

1.N. RTC 08–166 Appointment to Vacancy on Child Care Advisory Board

Staff Recommendation: Council ratifies the appointment of Melvin Matos to the remainder of the unexpired term (expires June 30, 2012) vacated by Mary Smith on the Child Care Advisory Board.

STAFF RESPONSES TO PRIOR PUBLIC COMMENTS

None.

PUBLIC COMMENTS

Glen Chambers stated the San Miguel Neighborhood Association appears to be intensely focusing on the enforcement of fence heights. Chambers stated this type of enforcement is destroying the look of the fences within the neighborhood. Chambers requested that the City re-evaluate this program because the City is full of accent pieces on top of fences making them slightly above three feet.

Councilmember Lee stated this program has been very successful in other neighborhoods and this is the first negative response that Council has heard. Councilmember Lee inquired if staff would investigate the speaker's concern and then return to Council with an update. Director of Community Development Hanson Hom stated that he will speak to neighborhood preservation staff about the situation. Director Hom stated during a survey of this neighborhood, the residents' concerns were over illegal fences. Director Hom stated staff will look into the situation.

PUBLIC HEARINGS/GENERAL BUSINESS

- 2. RTC 08–165 2007-0463 – Michael Kirkish [Applicant/Owner]: Application for related proposals on three parcels totaling 46,212 square feet located at 408 Flora Vista Avenue, 421 South Bayview Avenue and 420 Flora Vista Avenue (near East Iowa Avenue) in R-2 (Low Medium Density Residential) and R-0 (Low Density Residential) Zoning Districts. (Mitigated Negative Declaration)**
- Tentative Map to subdivide three lots to nine lots,
 - Rezone from R-0 (Low Density Residential) and R-2 (Low Medium Density Residential) to R-1.5 (Low-Medium-Density

- Residential) and R-2 Zoning Districts,**
 - Special Development Permit to allow six new single family homes.**

Director Hom stated the applicant has agreed to continue this item to next week due to the length of tonight's meeting.

Public hearing opened at 7:15 p.m.

No speakers.

Public hearing closed at 7:15 p.m.

MOTION: Councilmember Swegles moved and Councilmember Howe seconded to approve staff recommendation: Council continues item to June 10, 2008.

VOTE: 7-0

3. RTC 08-169 Public Hearing – Annual Review of Fees and Charges for Fiscal Year 2008/2009

Finance Manager Therese Balbo presented the staff report.

Councilmember Whittum proposed an increase to the traffic impact fees, changing them from 6 percent to 10 percent, and inquired if it would be enough to specify a 10 percent increase, or would specific line items need to be identified. Director of Finance Mary Bradley explained that the impact fees are individual enough that staff could identify them; therefore, Councilmember Whittum would not need to identify specific line items when proposing his increase to these fees during the budget adoption.

Councilmember Whittum stated, "Second question, are cell tower rentals covered in this or is that a different category of fee." Director Bradley responded, "No, they are not."

Vice Mayor Hamilton verified with Director Hom that the renoticing fee applies to an applicant or appellant who requests to continue an item to a date uncertain. City Manager Amy Chan added that the applicant or appellant is not charged when the City requests a continuance. Vice Mayor Hamilton verified with Director Hom that if the appellant or applicant continues to a date certain, then a fee would not apply because it does not require the item to be renoticed.

Public hearing opened at 7:20 p.m.

No speakers.

Public hearing closed at 7:20 p.m.

Councilmember Whittum stated, "I have a motion. I would like to make a motion that we guide to a 10 percent increase in traffic impact fees." Director Bradley explained that, staff "is looking for direction because we will be adopting it next week so the recommendation is also asking Council to provide any direction on any fee requiring further review or any other action." Councilmember Whittum stated, "so as a matter of fact, could I then guide to

request review of 10 percent or is that not necessary, that's irrelevant?"

City Manager Chan explained that Council is not required to take any action during tonight's public hearing on the budget unless Council requests to have something studied further. Should Council have a request for further study, the results would come back to Council next week during the budget adoption. City Manager Chan explained that because the budget adoption is next week, staff would not have enough time to provide a complete analysis regarding an increase to the traffic impact fees. However, should Council wish to simply increase the fee that action could be taken during next week's budget adoption.

Mayor Spitaleri requested staff provide Council with a review of the City's taxicab fees compared to other cities. Mayor Spitaleri requested staff include how the fees are set and whether staff reviews the fees from the surrounding communities. Mayor Spitaleri stated his impression is that the City's fees are higher than the surrounding communities and he would like to know the reasoning for that. City Manager Chan explained staff will obtain the neighboring taxicab fees and report back to Council during the June 10, 2008, Council meeting. Mayor Spitaleri requested the staff report include all the fees that are charged, including any requirements for insurance and permits.

Actions: Council conducted a public hearing on annual review of fees and charges for fiscal year 2008/09 pursuant to the requirements of the City Charter and California Government Code; and

Mayor Spitaleri requested staff provide Council with a comparison of taxicab fees, to include all fees including insurance and permit fees from the surrounding cities, at the June 10, 2008, Council meeting.

No formal action was required or taken by Council.

4. RTC 08-176 Public Hearing on FY 2008/2009 Budget and Resource Allocation Plan and Establishment of Appropriations Limit

Budget Analyst Drew Corbett presented the staff report. Analyst Corbett clarified that the budget supplement for Fair Political Practices Commission (FPPC) online filings has been reduced because the additional estimate for transferring hard copies of FPPC forms to the Web has been reduced to the point where it can likely be absorbed within the existing operational budget. Staff's original estimate did not take into account that 80 percent of the filers are now likely to file online, thereby reducing the number of hard-copy forms that would need to be scanned.

Councilmember Moylan inquired as to how other cities deal with the issue of a two-year cycle of funding for outside groups having a drop in funding occur in the middle of the cycle. Director Hom stated that many cities have the same issue because the deadline for adopting Community Development Block Grant (CDBG) plans does not coincide with when cities adopt their budgets. Director Hom stated cities deal with this issue in various ways, and one method would be to require that staff allocate the maximum funds for outside funding at the beginning of the fiscal year. Once the amount of CDBG funds is announced in December or January, there would then be a precise amount of combined CDBG and General Funds to allocate. Other cities determine the amount of General Funds that are needed to supplement any reduction in CDBG funds, once they determine how much CDBG allocation will be received. Director Hom explained this issue was the number one study issue ranked by Council and staff will be studying the entire process and returning to

Council with a recommendation before the next outside group funding cycle begins.

Public hearing opened at 7:28 p.m.

Amit Srivastava, a neighborhood association president, spoke about the benefits of neighborhood association grant funding. Srivastava stated the number of associations applying for this funding has increased since the program began. Srivastava explained that neighborhood associations are a vital resource to the community and urged Council to plan for future increases in funding for associations because as the City continues to grow, so will the associations.

Craig Horne, member of Cool Cities Team, spoke in support of the City's plan to conduct a community carbon inventory funded with grant money. Horne stated that members of the Cool Cities Team were encouraged by the City's effort to find a way to include Sunnyvale's first sustainability coordinator in the proposed budget. Horne stated the members of Cool Cities appreciate the creative thinking of the city manager in attempting to find a way to fund a full-time coordinator position by sharing the position with another city. Horne urged Council to support staff's recommendation to fund the part-time sustainability coordinator position and then share the position with another city in order to make the position full-time.

Pat Plant, Chair of the Housing and Human Services Commission, encouraged Council to fill the shortfall in funding for the community service agencies. Plant stated the agreement with these groups was for a two-year commitment. Plant stated that the commission is requesting that that City make up the difference for this year's CDBG funding shortfall in the amount of \$53,182. Plant stated the commission discussed reducing the allotment but agreed that would be unfair because these are fairly low-budget groups who have made plans based on the funding that was promised to them by the City.

Director Hom clarified that when the two-year program was approved, it was not necessarily for a two-year commitment of funding, as agreements were signed for only one year. Director Hom stated the second year of funding was dependent on the CDBG allocation.

Councilmember Swegles verified with City Manager Chan that at the February 1, 2008, Study Issues and Budget Issues Workshop, Council requested staff combine the \$100,000 for outside group funding into the service level set-aside fund, which brought the fund to an approximate total of \$610,000. City Manager Chan explained that the city manager's recommended budget supplements for the coming year used all of the allocation. City Manager Chan explained that if Council moves forward in approving the recommended supplements, then Council may want to cut some low-priority services or choose to increase revenue by increasing fees.

Sharon Davis, President of the Board of Directors for Sunnyvale Community Services, requested Council approve funding equal to last year's allocation. Davis spoke of the benefits of Sunnyvale Community Services and the continued need within the community for their services.

Nancy Tivol, Executive Director of Sunnyvale Community Services, explained that most funding cycles are for two years. Tivol spoke of the negative impact a cut in funding would create. Tivol supported having the study issue on outside funding address multi-year funding for a multi-year funding process.

Paul Wysocki, Interim Executive Director of the Housing Trust of Santa Clara Valley, thanked the City of Sunnyvale for its previous support. Wysocki provided an explanation on how the organization has used the funds received.

Jim Griffith, Chair of the Board of Library Trustees, stated the board unanimously voted to support approval of budget supplements 5 and 6 for the Library. Griffith spoke of the benefits of having a materials handling system and eliminating the reserve fee.

Elaine Curran, President of Junior Achievement of Silicon Valley and Monterey Bay, requested Council's continued support. Curran spoke of the benefits of Junior Achievement.

John Donovan explained his involvement with Junior Achievement as a volunteer. Donovan explained his experience has been very rewarding. Donovan stated this is a worthwhile cause and requested Council's support.

Ann Marquart, Executive Director for Project Sentinel, spoke about the benefits that Project Sentinel provides to the community with respect to fair housing services. Marquart requested Council reinstate the projected 30 percent cut for this organization.

Public hearing closed at 8:01 p.m.

Director Hom stated he wished to forward an additional recommendation from the Housing and Human Services Commission. Director Hom explained that the commission reviewed the housing related portions of the recommended budget and recommended approval of budget supplement 19. Director Hom stated the vote was five to four, in favor of granting \$45,000 to the Santa Clara Valley Blind Center, with the stipulation that it would be on a one-time basis and would not be repeated. Director Hom stated the commission stated their decision was in consideration that the agency may not have been aware that money could not be moved between funds. The dissenting opinion was concerned with setting a precedent in the allocation of monies for social service, given that other agencies had to go through a precise process for allocation of funds.

Vice Mayor Hamilton verified the Housing and Human Services Commission has recommended the entire \$45,000 for the Blind Center come from the General Fund, and not go through the normal process.

Vice Mayor Hamilton stated if the budget supplement regarding placing FPPC forms online passes, she would like to sponsor a study issue to explore adopting an ordinance requiring that all filings are online. Councilmember Whittum stated he would co-sponsor the study issue. Vice Mayor Hamilton stated it would be dependent on whether the budget supplement passes next week. City Manager Chan explained sponsoring a study issue would not require a motion and could be requested at anytime.

Vice Mayor Hamilton questioned if this would need to be a study issue, or would it be more of an operational matter. City Manager Chan stated this would not require a study issue, but staff would need to research as to whether there are state guidelines. Vice Mayor Hamilton stated she will go ahead and sponsor a study issue, contingent on the budget supplement passing. City Manager Chan stated if there are not any state guidelines, then staff will not move forward on the study issue and instead will handle this administratively. City Manager Chan explained that staff will return to Council with further information. Vice Mayor Hamilton stated the staff report indicates that there is not a requirement for filers to file their forms

online without having an ordinance. Vice Mayor Hamilton acknowledged Councilmember Whittum will co-sponsor this study issue.

City Attorney Kahn explained that a requirement does exist for FPPC form 700 (Statement of Economic Interest) for a hard copy to be on file with the City Clerk, which is an addition to filing online. City Attorney Kahn explained that an ordinance can exist for online filing of the FPPC form 460 (Campaign Disclosure Form); however, for the FPPC form 700, the city clerk would still need a hard copy. City Clerk Gail Borkowski explained that any electronically-filed FPPC forms would require that the filer submit an original hard copy to the Office of the City Clerk, regardless if it has already been filed online.

Councilmember Howe inquired as to what Project Sentinel received last year for funding, and where did those funds come from. Director Hom stated the funding for Project Sentinel is through CDBG funds; but instead of the public service portion of CDBG, the funding is within the administrative services portion. Director Hom explained that Project Sentinel's funding is allocated from the administrative services portion, which has been reduced. Director Hom explained that the recommendation is to reduce Project Sentinel's funding from \$30,000 to \$20,000. Should Council approve restoring the original funding of \$30,000, then the additional funds would need to come out of the General Fund. Councilmember Howe verified with Director Hom that reallocating the administrative CDBG funds would be another way to cover the funding shortage for Project Sentinel.

Actions: Council conducted a public hearing to meet the legal requirements of the City Charter, the California Constitution and the California Government Code; and Council did not provide any direction to staff on any issue requiring further review prior to the budget adoption on June 10, 2008.

Councilmember Whittum asked the mayor, "Normally when does Council have a, is it the next hearing that Council discusses adding and subtracting from the budget and so forth. " Mayor Spitaleri stated "that is correct, tonight is just for public input."

No formal action was required or taken by Council.

Mayor Spitaleri thanked those who spoke for sharing information and speaking on behalf of various programs.

5. RTC 08-168 Adoption of Proposed Fiscal Year 2008/2009 Rates for Water and Wastewater Utilities

Revenue Systems Supervisor Tim Kirby presented the staff report.

Public hearing opened at 8:12 p.m.

Kelly Cash expressed his concern over sewer rates increasing. Cash stated because the rates are not metered, as a single person he is charged the same as a family of four or more. Cash proposed that sewer charges reflect the amount of water used. Cash requested Council consider revamping the cost structure for sewer usage.

Public hearing closed at 8:13 p.m.

Councilmember Moylan inquired if staff agrees with the concept that sewer usage is

proportional to the amount of water used. Director of Public Works Marvin Rose explained that staff has previously looked at this issue and there is some justification in using water usage as the basis for billing of sewer. Director Rose explained that restaurants are billed in this manner because the water used is a major contributing factor for the sewer usage. Director Rose stated the problems in using this method for residential use is that sewers are not metered and also the complexity of determining all the various uses would be cost-prohibitive for what turns out to be a small change in the actual use. Director Rose explained that it is true water usage for someone who lives alone would be quite different from a large family, but that difference would not make a significant change in the actual rate allocation because of the way the City looks at the cost of service.

Councilmember Moylan explained that someone using water for their landscaping, which does not go into the sewer system, could argue that the scale of water use for sewer would be inequitable. Supervisor Kirby explained that staff uses winter consumption to base the cost of sewer in the residential sector.

MOTION: Councilmember Howe moved, and Councilmember Swegles seconded, to approve Alternative 1: Council adopts the Resolution, Attachment H to the staff report, increasing water rates by 10 percent and wastewater rates by 8.5 percent, for FY 2008/09.

VOTE: 7-0

6. RTC 08-175 Resolution of Intention to Levy and Collect Assessment for the Downtown Parking Maintenance District for FY 2008/2009 and FY 2009/2010 and Approve Preliminary Engineer's Report

Senior Management Analyst Connie Verceles presented the staff report.

Public hearing opened at 8:19 p.m.

No speakers.

Public hearing closed at 8:19 p.m.

MOTION: Councilmember Howe moved, and Vice Mayor Hamilton seconded, to approve Alternative 1:

Council takes four actions to give the City the necessary authority to levy and collect the assessment for public parking facilities from property owners within the Downtown Parking Maintenance District for FY 2008/09:

- Council adopts a Resolution of Intention.
- Council approves the Preliminary Engineer's report.
- Council sets the July 22, 2008, Council meeting as the required public hearing.
- Council authorizes mailing of Notice of Proposed Assessment and ballots.

VOTE: 7-0

7. RTC 08-162 Council Intergovernmental Committee Alternate Appointment to the Santa Clara County Emergency Preparedness Council

Intergovernmental Relations Officer Yvette Agredano presented the staff report.

Public hearing opened at 8:20 p.m.

No speakers.

Public hearing closed at 8:20 p.m.

Vice Mayor Hamilton offered to serve as alternate on this council.

MOTION: Councilmember Howe moved, and Councilmember Lee seconded, to approve the appointment of Vice Mayor Hamilton to serve as alternate to the Santa Clara County Emergency Preparedness Council.

VOTE: 7-0

NON-AGENDA ITEMS & COMMENTS

COUNCIL: Councilmember Howe announced that he will be resigning from his assignment on the Solid Waste and Recycling Board at the end of the month, and the vacancy will be filled by a member of the SMaRT Station Cities.

Vice Mayor Hamilton thanked staff for their efforts at getting the webcasting up and running.

Mayor Spitaleri announced he attended the first Mayor's Soapbox Race, hosted by the City of Mountain View.

STAFF: None.

INFORMATION ONLY REPORTS/ITEMS

- Tentative Council Meeting Agenda Calendar
- Draft minutes of the Bicycle and Pedestrian Advisory Commission Meeting of April 17, 2008
- Draft minutes of the Heritage Preservation Commission Meeting of May 7, 2008
- Draft minutes of the Board of Library Trustees Special Meeting of May 27, 2008

ADJOURNMENT

Mayor Spitaleri adjourned the meeting at 8:25 p.m.

Gail Borkowski
City Clerk

Date